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# U.S. lawmakers sound alarm on Japan joining trade talks

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By [Doug Palmer](#)

WASHINGTON (Reuters) - Four dozen Democratic lawmakers on Thursday expressed concern about Japan joining free trade talks with the United States and urged President Barack Obama to maintain U.S. tariffs on Japanese autos and trucks if Tokyo does enter the negotiations.

The plea came one day before Japanese Prime Minister Shinzo Abe is expected to announce Japan's interest in joining talks on the Trans-Pacific Partnership (TPP), a proposed free trade deal between the United States and 10 countries.

That worries Ford Motor Co and other Detroit-based automakers, which fear losing more sales to Japanese imports. A U.S.-led push to finish the TPP pact by the end of this year adds to the carmakers' anxiety.

"In an industry with razor-thin profit margins, the elimination of the 2.5 percent car tariff (as well as the 25 percent truck tariff) would be a major benefit to Japan without any gain for a vital American industry, leading to more Japanese imports, less American production and fewer American jobs," the lawmakers said in a letter to Obama.

The group included Representative Sander Levin, the top Democrat on the House of Representatives Ways and Means Committee. He is from Michigan and one of the fiercest defenders of the U.S. auto industry in Congress.

His brother, Senator Carl Levin, another Michigan Democrat who chairs the Senate Armed Services Committee, also signed the letter, along with eight other senators and nearly 40 members of the House.

"What the letter does is sound an alarm about Japan's participation" in the TPP, Sander Levin said in an interview with Reuters.

He said he was skeptical that negotiations could tear down regulatory and other non-tariff barriers that he said have long kept American autos out of Japan's market.

Levin, who has a history of voting for most trade agreements, played a major role in persuading the Obama administration to renegotiate auto provisions of a free trade pact with South Korea.

The revised pact, which took force one year ago, allowed the United States to keep its 2.5 percent tariff on South Korean autos until the fifth year and to keep its 25 percent tariff on South Korean light trucks until the eighth year, when it will begin to be phased out.

But Levin and the other lawmakers argued in their letter that the same approach could not be taken with Japan.

"While some have compared this challenge to the one we faced with Korea, the Japanese auto market is more impenetrable, the history of formidable barriers and imbalanced trade is longer, and the magnitude of the problem is far greater than with Korea," the group said.

"Despite being the third-largest auto market in the world, Japan ranks last among OECD (Organization for Economic Cooperation and Development) members in terms of auto market import penetration, at 5.9 percent in 2012," they said.

The lawmakers blame those low import numbers on a web of barriers, including currency manipulation, discriminatory taxes, onerous and costly certification procedures for foreign cars and unwillingness by Japanese auto dealers to sell foreign cars.

Meanwhile, Japan is concerned about being pressured in the TPP talks to open its long-protected markets for rice and other politically sensitive farm products.

In the aftermath of Abe's recent visit to Washington, there have been rumors the two sides have already struck a deal that would let the United States keep its auto tariffs in exchange for Japan's protecting some agricultural products.

Levin said he had not heard anything from the administration to confirm that. "We have no indication from the administration there is any such deal," Levin said.

(Reporting by Doug Palmer; Editing by Kenneth Barry and Dan Grebler)



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